

ASSEMBLY BILL

No. 1516

Introduced by Assembly Member Arambula

February 22, 2005

An act to amend Section 15570 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1516, as introduced, Arambula. Economic strategy panel: meetings.

Existing law requires the Secretary of Labor and Workforce Development to convene a biennial economic strategy panel to provide recommendations regarding a California economic development strategic plan. Existing law requires the panel to hold meetings to address specified matters of concern.

This bill would include workforce readiness to fill new jobs in expanding industries, within the matters of concern to be addressed in the panel's meetings.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 15570 of the Government Code is
- 2 amended to read:
- 3 15570. (a) The secretary shall lead the preparation of a
- 4 biennial California Economic Development Strategic Plan. In
- 5 fulfilling this duty, the secretary shall do the following:
- 6 (1) Review the recommendations made by the California
- 7 Economic Strategy Panel in their biennial economic development

1 strategic plan document. This document shall make
2 recommendations regarding an economic development strategic
3 plan for the state, covering a two-year time period and containing
4 a statement of economic goals for the state, a prioritized list
5 identifying significant issues learned from economic
6 development strategic plan panel meetings, proposals for
7 legislation, regulations, and administrative reforms necessary to
8 improve the business climate and economy of the state,
9 evaluation of the effectiveness of the state's economic
10 development programs, a list of key industries in which the state
11 shall focus its economic development efforts, and strategies to
12 foster job growth and economic development covering all state
13 agencies, offices, boards, and commissions that have economic
14 development responsibilities.

15 (2) Convene a biennial economic strategy panel to provide
16 recommendations regarding a California economic development
17 strategic plan. This panel shall conduct meetings in Sacramento,
18 all cities of the state with populations over 500,000, and in major
19 cities of other regions of California as designated by the
20 secretary. The secretary shall invite businesses, labor unions,
21 organizations representing the interests of diverse ethnic and
22 gender groups, local government leaders, academic economists
23 and business professors, chambers of commerce and other
24 business organizations, government agencies, and key industries
25 to contribute to the preparation of the recommended economic
26 strategy. These meetings shall address at least the following
27 matters of concern:

28 (A) Strengths and weaknesses of the California economy and
29 the state's prospects for future economic prosperity.

30 (B) Emerging and declining industries in California and
31 elsewhere.

32 (C) Effectiveness of California's economic development
33 programs in creating and retaining jobs and attracting industries.

34 (D) Adequacy of state and local physical and economic
35 infrastructure.

36 (E) Government impediments to economic development.

37 (F) The development of a system of accountability for use in
38 the annual state budget process and in the legislative process to
39 measure the performance of all state policies, programs, and tax
40 expenditures intended to stimulate the economy. In developing a

1 system of accountability, the panel shall, by using only existing
2 resources and without future budget augmentation made for this
3 purpose, do all of the following:

4 (i) Develop a standard definition of economic development.

5 (ii) Develop, for use in state law, standard measurements of
6 real per capita income, job growth, new business creation, private
7 sector investment, minority entrepreneurship, and income
8 inequality.

9 (iii) Survey and evaluate efforts in other states to develop
10 accountability measures for public investments in economic
11 development.

12 (iv) Determine whether a return on investment calculation is
13 feasible for public investments in economic development.

14 (v) Conduct a comparative study of various methodologies for
15 preparing the economic development sections of a state budget,
16 including unified functional budget, zero-based budget, and
17 performance-based budget methodologies.

18 (vi) Study the feasibility of statutory disclosure requirements
19 on specified publicly funded subsidies to private sector
20 businesses.

21 (vii) Submit a report of its findings and recommendations
22 regarding this subparagraph to the Legislature no later than one
23 year after its first meeting after January 1, 2005.

24 *(G) Workforce readiness to fill new jobs in expanding*
25 *industries.*

26 (b) The panel shall be composed of the following 15 members:

27 (1) The Secretary of Labor and Workforce Development, who
28 shall serve as chair of the panel.

29 (2) Eight persons appointed by the Governor.

30 (3) The Speaker of the Assembly or his or her designee.

31 (4) The President pro Tempore of the Senate or his or her
32 designee.

33 (5) The Minority Leader of the Assembly or his or her
34 designee.

35 (6) The Minority Leader of the Senate or his or her designee.

36 (7) One person appointed by the Speaker of the Assembly.

37 (8) One person appointed by the Senate Committee on Rules.

38 (c) The panel shall be representative of state government,
39 business, labor, finance, and academic institutions, and shall be

1 broadly reflective of the state's population as to gender, ethnicity,
2 and geographic residence within California.

3 At least one-half of all the persons on the panel shall be from
4 the private sector and at least two appointments shall be from
5 private businesses with less than 50 employees. At least two
6 appointments shall be from rural areas of the state. Beginning
7 January 1, 2004, appointments to the panel shall be for four-year
8 terms, except that the Governor's appointments made pursuant to
9 paragraph (2) of subdivision (b) shall be made as follows:

10 (1) Four members shall be appointed on January 1, 2004, and
11 every four years thereafter.

12 (2) Four members shall be appointed on January 1, 2004, for a
13 two-year term.

14 (3) Upon the expiration of the initial appointments made
15 pursuant to paragraph (2), four members shall be appointed on
16 January 1, 2006, and every four years thereafter.

17 (d) The secretary shall deliver copies of the economic strategy
18 panel's recommended California economic development strategic
19 plan to every constitutional officer, legislator, member of the
20 Governor's cabinet, members of the economic development
21 strategic plan panel, and every state agency, office, board, and
22 commission having economic development responsibilities.

23 (e) In each succeeding two-year cycle, the secretary shall
24 undertake this process anew, so as to update the economic
25 strategy on or before October 31 of each succeeding second year.